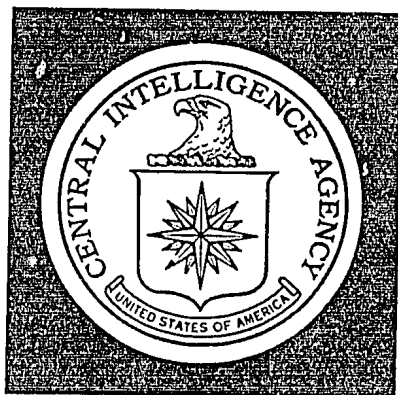


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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

Tanzania and Zambia:

*A Communist Chinese Railroad
and a Western Road System?*

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
March 1968

INTELLIGENCE MEMORANDUM

Tanzania and Zambia: A Chinese Communist
Railroad and a Western Road System?

Summary

Zambia, Tanzania, and Communist China appear fully committed to constructing the Tan-Zam railroad which would extend from Zambia's Copperbelt to Tanzania's port at Dar es Salaam. Zambia wants the railroad as a means to end its dependence on transport routes through white-ruled Rhodesia, Mozambique, and Angola. Tanzania supports this political goal and also hopes to gain improved transport facilities to its own undeveloped interior. By undertaking the project, Peking will gain a substantial presence in this part of Africa for the next decade.

An agreement among Communist China, Tanzania, and Zambia was signed on 5 September 1967, about three years after Tanzania's initial request for Peking's assistance. The first stage of the agreement, covering preliminary investigations, is nearing completion, and a large Chinese team is expected to arrive in March or April 1968 to begin the second stage, which includes engineering and design surveys. Construction could begin in late 1969, and therefore, the decision to go ahead with the railroad probably would be made well before the completion of the international road alternative.

It is well within China's capability to build the railroad. The Chinese have extensive experience in

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laying track over extremely rough terrain, and their labor-intensive construction techniques are well-suited to building the line. Large numbers of Chinese would be used on the project, in addition to local laborers. China can provide most of the equipment and materials, although some may be imported from the West.

Western assistance in helping Zambia reduce its dependence on transport routes through white-ruled countries is centered on improving the Great North Road, which links Zambia and the port of Dar es Salaam. Although the road is now in very poor condition and most of it is unpaved, plans call for surfacing the entire route by 1971. When completed, the road will have the theoretical capacity to handle all of Zambia's imports and exports, but it is unlikely to achieve this potential because of major financial and logistic problems. Several thousand trucks, costing in excess of \$100 million, would be needed in addition to extensive and expensive support facilities and operating and replacement costs would be high. Even if the necessary financing could be found, it is unlikely that Zambia and Tanzania could obtain the large number of qualified personnel required to operate such a system. Zambia has never viewed the Great North Road as a long-term solution to its transport problems and is likely to consider the improved road as a complement to the proposed railroad, but not as an alternative to it. In any event, a decision to go ahead with the railroad probably would have to be made at least a year before the road building program could be completed.

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Introduction

1. Serious interest in a railroad connecting the Zambian Copperbelt to the Tanzanian port at Dar es Salaam dates to the early 1950's, but was greatly stimulated by Rhodesia's unilateral Declaration of Independence (UDI) from the United Kingdom in November 1965.* Numerous studies indicate that the railroad would be a more costly route for transporting Zambia's foreign trade than the existing route through Rhodesia. But since UDI the railroad has become a political imperative for both Zambia and Tanzania.** Zambia sees the railroad as the only real alternative to continued dependence on transport routes through white-ruled Rhodesia, Mozambique, and Angola. Tanzania supports Zambia's goal and also hopes to gain from increased transit trade revenues and improved transport facilities to its own undeveloped interior. Cost estimates for the project vary, but the most widely used is \$400 million, including equipment and expansion of the port at Dar es Salaam. Construction would probably take five to six years and could begin in about 18 months, when the Chinese Communist design survey is expected to be completed.

2. At present, the Great North Road, which parallels the proposed railroad, is the major international route used by Zambia to avoid Rhodesia. Although efforts have made to improve the road, it now handles only about 15 percent of Zambia's imports and exports. Moreover, the condition of the road has deteriorated badly after more than two years of heavy use, and rains in recent weeks have caused further deterioration.

* Following long negotiations, the United Kingdom refused to grant Rhodesia independence until a constitution guaranteeing the country's 4 million Africans eventual majority rule was provided for. Rhodesia's 225,000 white minority, however, rejected this demand, and on 11 November 1965 the white regime unilaterally declared Rhodesia's independence from the United Kingdom.



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The Search for Aid

3. An examination of Zambian and Tanzanian efforts to build the railroad indicates the depth of both countries' commitment to the project. Since 1964, Zambia and Tanzania have sought assistance in constructing the railroad from Western and Communist sources. Tanzania took the initiative in seeking Communist aid in mid-1964, shortly after the International Bank for Reconstruction and Development (IBRD) refused to participate on the grounds that a railroad would not be economic because revenues would not be sufficient to cover capital and operating costs for many years. Tanzania turned to Moscow in August 1964, but without success. The initial Tanzanian approach to the Chinese for aid probably occurred in July 1964, when Vice President Kawawa was in Peking. Tanzania's President Nyerere, during a visit to China in February 1965, reportedly asked the Chinese for assistance. By July 1965, Nyerere was able to announce that Peking was willing to help, and a Chinese survey team arrived in Tanzania the next month. The team studied the proposed route in Tanzania, but not in Zambia, and remained in the country for several months. Even before the survey team finished its work, however, the Chinese Communist Ambassador in Dar es Salaam confirmed his country's readiness to build the entire railroad, if requested.

4. While Tanzania concentrated mainly on seeking Chinese Communist aid, Zambian President Kaunda continued to seek aid from the West because of his preference for Western financing and his concern over Chinese Communist political intentions in Africa. Although Zambia never submitted formal or specific requests for assistance, repeated efforts were made to interest various Western countries and the IBRD. By and large, the responses were negative. In September 1965, however, the United Kingdom and Canada did agree to finance a \$420,000 feasibility study which was carried out by Maxwell Stamp Associates, a British consultant firm. The Stamp report, completed in August 1966, evaluated the prospects for the railroad in glowing terms, but for the most part Stamp's conclusions were determined by the terms of reference laid down by Zambia and Tanzania -- especially the assumption that Zambia must become

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independent of routes through Rhodesia and Angola. On the basis of the Stamp report, Zambia hoped a consortium of the United Kingdom, United States, West Germany, Japan, and the IBRD could be formed to pay for an engineering survey and eventually for construction of the railroad. Indeed, it was largely this hope that kept Zambia and Tanzania from pursuing any Chinese offer of assistance during 1966. In early 1967 the Stamp report was submitted to the African Development Bank (ADB) and the IBRD for review. This was the second time the IBRD reviewed the project. The ADB-IBRD evaluation, however, was critical and called for further technical and economic investigations before a decision could be taken to finance an engineering survey.

5. After the ADB-IBRD negative review in March 1967, President Kaunda apparently realized that Western support for the project was not likely to be forthcoming. But constructing the railroad had become increasingly urgent because it had become clear that Zambian efforts had failed to develop other transport routes which would avoid Rhodesia. As a result, the long-standing Chinese offer became more attractive. Moreover, Kaunda's reservations about Chinese Communist assistance appeared to have been assuaged during his visit to Peking in June 1967. Shortly afterwards, negotiations began between Zambia and Tanzania on the one hand and Communist China on the other, and on 5 September 1967 an agreement was concluded.

The Chinese Commitment

6. Zambia and Tanzania see the 5 September agreement as a firm commitment by Peking to follow through with the project.

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7. China has already begun the first stage. In late December 1967, a nine-man team of railroad and construction experts arrived in Zambia to carry out preliminary investigations of the Zambian section of the proposed line. A similar study of the Tanzanian section was carried out in 1965. Progress has been relatively rapid, and the team has reportedly completed a study of maps and blueprints. Field studies began in late January. A large Chinese team is scheduled to arrive in March or April 1968 to undertake a full-scale engineering and design survey. This will probably take about 18 months and be completed in late 1969.

8. The construction of the Tan-Zam railroad would be a substantial undertaking, but one well within Peking's capability. The Communist Chinese now build more miles of railroad than any country in the world. Moreover, they have extensive experience in laying track over rough terrain such as in Yunnan and Szechwan Provinces in southwest China. Consequently, the Chinese have the technical capability to build the Tan-Zam line, which must pass through the Rift Valley in Tanzania with its extremely rugged topography. Moreover, China's railroad technology and expertise is particularly well-suited to the labor-intensive methods (see Figures 1 and 2) which will probably be employed in building the railroad.* While at present there is a shortage of railroad construction equipment and materials in China, the requirements for the Tan-Zam railroad would extend over a long period and Peking could probably meet them. In any event, machines and materials are readily available in the West, and the Communist Chinese would probably not be averse to purchasing them if necessary.**

* Labor-intensive methods reduce the need for expensive and complicated construction equipment. For example, (footnotes continued on page 7)

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FIGURE 1. CHINESE TRACK-LAYING OPERATION USING A LABOR-INTENSIVE METHOD

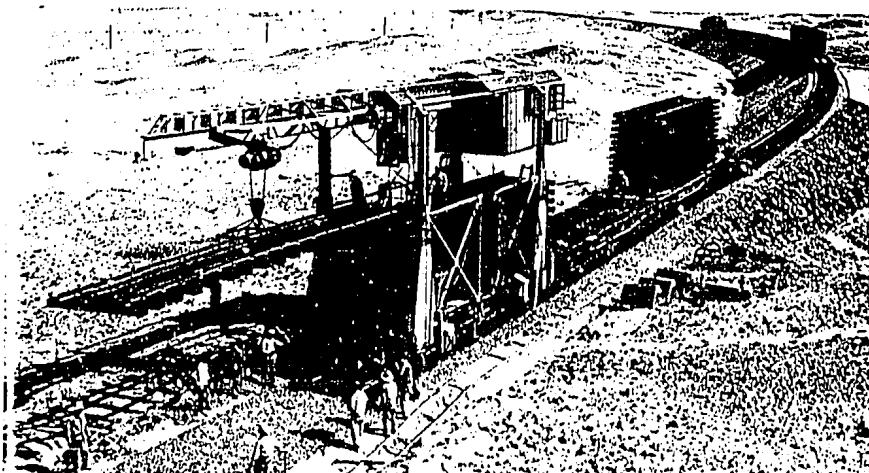


FIGURE 2. CHINESE TRACK-LAYING OPERATION USING SOPHISTICATED EQUIPMENT

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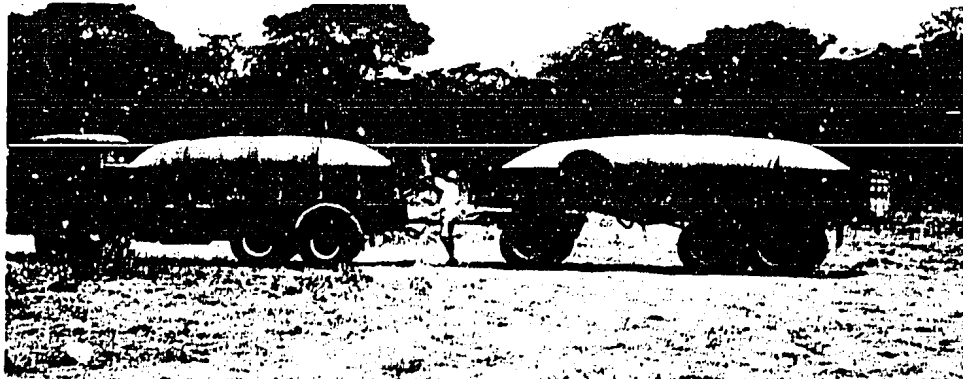
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The Great North Road

9. Zambia hopes to haul a large proportion of its imports and exports through Tanzania even before the railroad is completed, which will be in 1975 at the earliest. To accomplish this, Lusaka has placed a high priority on developing the Great North Road, which was little more than a dirt road at the time of Rhodesia's UDI. Plans now call for having its entire 1,200-mile length paved. The project, costing roughly \$65 million, involves building almost an entirely new road from Morogoro (see the map, Figure 3) in Tanzania to Tunduma on the Zambian border and paving the existing road from Tunduma to the Zambian Copperbelt. Construction on the Zambian sections, which is being partly financed by the IBRD, began in 1966 and is expected to be completed in mid-1969. The United States is planning to provide about \$9 million, and the IBRD is expected to provide \$15 million to help finance construction on the Tanzanian sections. Construction in Tanzania is now scheduled to begin around mid-1968, and the entire route should be finished by 1971.

10. When completed, the road will be capable of handling all of Zambia's nonfuel foreign trade. Other problems, however, will prevent full utilization of the road's technical capacity. It would cost more than \$100 million just to purchase the 3,500 trucks needed to carry Zambia's expected 1971 level of foreign commerce -- up to 1.8 million tons of imports and 1 million tons of exports.* Heavy expenditures would

** The estimate of 3,500 trucks is based on standard 20-ton-capacity tractor-semitrailer units which cost approximately \$30,000 per unit. (For an example of the type of truck presently in use on the Great North Road, see the following photograph.)*



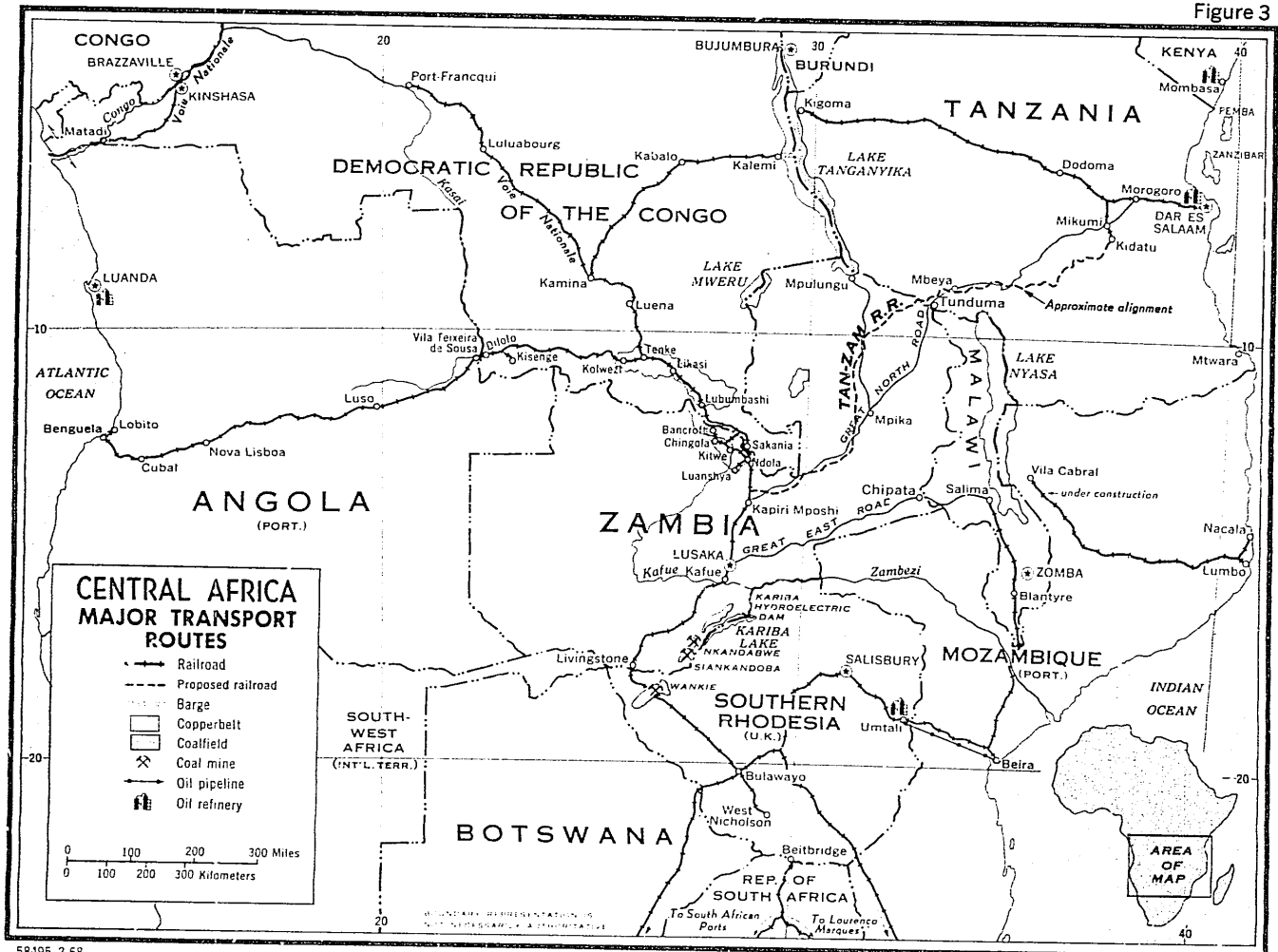
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Figure 3



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also be required to support a fleet of this size. In addition, finding the large number of persons with organizational and technical skills necessary to operate such a system would be very difficult. Qualified local personnel are not now available in Tanzania or Zambia nor are they likely to be in the foreseeable future. Furthermore, recruiting sufficient expatriates may not be practicable. Over the past few years, Zambia and Tanzania have been unable to replace even those who are leaving, despite generous financial inducements. Lack of qualified personnel has been a major factor in the road's failure to meet planned traffic levels over the last few years. The present road operation, which involves some 700 to 800 trucks, has been inefficiently managed. Because of inadequate maintenance, up to one-fourth of the truck fleet has been consistently disabled.

Road and Railroad Planned as Complementary Systems

11. Zambia and Tanzania appear determined to press ahead with both the construction of the railroad and the upgrading of the Great North Road. Leaders in both countries view the road as one of several short-term expedients to reduce Zambia's dependence on Rhodesia until the railroad is in operation. Indeed, as long ago as 1966, the Zambian government stated that development of the full capacity of the road is strictly complementary to the future railroad and is linked to contingency plans for reducing the country's vulnerability to foreign interference. The statement added that the improved road will not take traffic away from the railroad, but will serve as a feeder to it. Early in February 1968, Zambian President Kaunda emphasized an intention to build the railroad with Chinese assistance in

[redacted] while at the same time he has been pursuing the road project. Tanzania, for its part, also sees the road as a short-term solution to its transport needs. The high priority that Tanzania places on the road project reflects the government's desire to improve access to the agricultural region in the southern highlands as well as a desire to help Zambia reduce its dependence on Rhodesia in the shortest possible time. Consequently, while both Zambia and Tanzania want the Great North Road improved, they do not seem to see the road as

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obviating the railroad. In any event, Zambia and Tanzania will be faced with the decision to build the railroad within the next 18 months. This is long before it could be demonstrated that the Great North Road was a valid alternative.

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